

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2280 - SB 2414**

March 9, 2014

**SUMMARY OF BILL:** Prohibits a car insurance provider or a third party administrator (TPA) for such provider, when providing automobile glass repair services, from requiring that repairs be made to the insured's automobile by a particular glass repair service. When a TPA processes a glass claim for an insured individual, such TPA is required to immediately disclose that such TPA is acting on behalf of the insurer. Creates provisions allowing an insured to request glass repair services outside the insurer's or TPA's glass repair program. Specifies that any insured individual, who requests a specific provider of glass repair services who is outside the insurer's or TPA's glass repair program, and whose cost of repair is greater than the insurer's or TPA's reimbursement rate, is required to pay the difference between the specific provider's cost and such reimbursement rate. Prohibits any representative of a TPA, who inspects an insured's requested glass repair services, from soliciting repair work for such glass repair services. Prohibits any insurer, agent, or TPA from providing information about a claim to a provider until the insured has selected such provider to provide glass repair services. Authorizes an insurer to inform an insured that the insurer will not guarantee the work performed by a provider that is not in the network of the insurer or TPA. Any violation of this act is a violation of the Unfair Claims Settlement Act of 2009. Rewrites statute specifying fraudulent and deceptive practices regarding claims made for automobile glass replacement or repair.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumption:

- According to the Department of Commerce and Insurance, Insurance Division, the Division can administer and enforce the provisions of this act utilizing existing resources.

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## **IMPACT TO COMMERCE:**

### **NOT SIGNIFICANT**

#### Assumptions:

- There could be a fiscal impact to glass repair service providers if the bill were to shift business from one provider to another provider.
- There could be an impact to insurers if the provisions of the bill impacts the reimbursement rates that insurers pay because they will not be able to mandate the repairs be made by a particular service provider.
- It is unknown what the exact impact will be; however the net impact to commerce in reasonably estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/jdb